

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
DOUGLAS F. CARLSON WITNESS CARLSON
(USPS/DFC-T1-30-37)

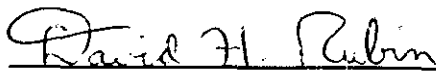
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Douglas F. Carlson witness Carlson: USPS/DFC-T1-30-37.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


David H. Rubin

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January 28, 1998

USPS/DFC-T1–30. Please reconcile your testimony at page 5, lines 1 to 2, where you talk about holding the stamped card rate at 20 cents for many years, with your testimony at page 8, lines 25 to 26, where you talk about laying the groundwork for a lower rate for stamped cards in future cases.

USPS/DFC-T1–31. Please refer to your testimony at page 8, lines 12 to 24, and your response to interrogatory USPS/DFC-T1–20. Is the Postal Service's proposal also "indefensible, unfair, and inequitable" for the subset of private post cards that share the cost characteristics of stamped cards (e.g., those private cards that meet the automation-compatibility requirements and background-reflectance requirements discussed on page 2 of your testimony)? Please explain your response.

USPS/DFC-T1–32. Please refer to your testimony at page 10, lines 7 to 9. Please confirm that your conclusion that "net revenue for a stamped card will be over five times higher than the net revenue for a private post card" assumes a stamped card and a private post card with average costs as shown in the FY 1996 CRA. If you do not confirm, please explain why not.

USPS/DFC-T1–33. Please refer to your response to USPS/DFC-T1–13, where you claim:

Witness Plunkett filed this interrogatory response with a declaration under penalty of perjury that his answer was 'true and correct, to the best of [his] knowledge, information, and belief,' so these three characteristics are the only ones that the Postal Service should be citing in this case as distinguishing return-receipt service from my hypothetical alternative.

Please confirm that in his interrogatory response witness Plunkett also indicated that *customers might view return receipt service as more valuable than the hypothetical alternative because return receipt service imposes fewer demands on the recipient of the mail piece. If you do not confirm, please explain why not.*

USPS/DFC-T1–34. Please refer to your response to interrogatory USPS/DFC-T1–19.

- (a) Please confirm that your response refers to part a of witness Alexandrovich's response, which states that "CRA unit mail processing costs for postal cards have historically been lower than those of private postcards, on average." If you do not confirm, please explain why not.
- (b) Please confirm that parts b and c of witness Alexandrovich's response explained how these CRA costs for postal cards might be understated. If you do not confirm, please explain why not.

USPS/DFC-T1–35. Please refer to your response to interrogatory USPS/DFC-T1–22.

Is your proposal preferable to an alternative proposal in which all automation-compatible cards with handwritten addresses (private or stamped) would be eligible for the rate you propose for stamped cards? If so, please present all reasons why.

USPS/DFC-T1–36. Please refer to your response to interrogatory USPS/DFC-T1–23.

- (a) Please confirm that lowering Postal Service costs and increasing net revenue depend on the cost characteristics of the cards that switch to stamped cards,


rather than the average costs you cite. If you do not confirm, please explain why not.

- (b) Please confirm that costs will not be lowered, nor net revenue increased, when a private card with the same cost characteristics as stamped cards switches to a stamped card. If you do not confirm, please explain why not.
- (c) Please confirm that under your proposal net revenue would be decreased when a private card with the same cost characteristics as stamped cards switches to a stamped card with a lower rate. If you do not confirm, please explain why not.

USPS/DFC-T1-37. Please refer to your response to interrogatory USPS/DFC-T1-28. Please confirm that Express Mail and private expedited services provide additional benefits (such as expedited delivery), in comparison to First-Class Mail with return receipt service, that might offset the higher costs for some customers. If you do not confirm, please explain why not.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


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